

STATE OF NEVADA



**COLORADO RIVER COMMISSION
OF NEVADA**

September 1, 2011

Mr. Darrick Moe
Western Area Power Administration
Desert Southwest Regional Manager
P.O. Box 6457
Phoenix, AZ 85005-6457
E-mail: Post 2017BCP@wapa.gov

Subject: Application of the Energy Planning and Management Program Power Marketing Initiative to the Boulder Canyon Project [76 FR 30147-8]

Dear Mr. Moe:

The Colorado River Commission of Nevada (CRC) respectfully submits these written comments in the above-referenced proceeding. The CRC has the statutory responsibility to receive electric power generated by Hoover Dam and other federal hydroelectric projects on the Colorado River through contracts with the Western Area Power Administration (Western). The CRC contracts to deliver this electric power to the Southern Nevada Water Authority, five power utilities that provide service in southern Nevada, and the companies comprising the Basic Industries in Henderson, Nevada.

The CRC is one of the Hoover contractors that has participated in the efforts to develop federal legislation to address post-2017 Hoover power allocation issues. We believe that Congress should allocate post-2017 Hoover power as it has done each time allocation has been necessary since the construction of Hoover Dam.

Therefore, the CRC supports the legislation that has been introduced in the U.S. Congress to accomplish this goal (the "Hoover Power Allocation Act of 2011", H.R. 470/S. 519). And, CRC once again urges Western to hold in abeyance its post-2017 Hoover re-marketing proceeding, pending Congressional consideration of H.R. 470/S. 519.

We attach for your records a copy of the May 24, 2011 letter sent to Western by Senators Reid, Heller, Bingaman, McCain, Kyl, Boxer and Feinstein, in which these seven Senators ask Western to issue immediately a stay of this proceeding, pending the Congress' consideration of the Hoover legislation referenced above.

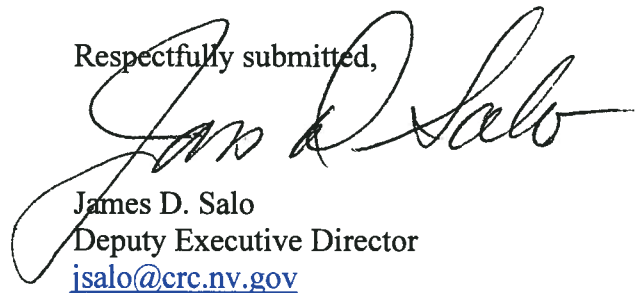
In the event that Western declines to comply with the request of these Senators to hold this proceeding in abeyance pending Congressional consideration of H.R. 470/S. 519, CRC urges that Western adopt the following changes to the Hoover re-marketing plan that Western has presented in this proceeding:

1. Hoover power should be allocated for a 50 year term, rather than the proposed 30 year term.
2. The full amount of 2,074 MW contingent capacity and 4,527,001 MWh should be allocated.
3. Western's allocation methodology and contract language should allocate power in the same proportions as in existing contracts, except for a 5 percent hold back to support a resource pool for new allottees.
4. Western's allocation methodology and contract language should utilize the same Schedules A, B and C that are included in the current Hoover contracts, and should characterize the resource pool power as Schedule D.
5. The resource pool described in the 5/24/11 notice should be created, and implemented in a manner that gives Western the opportunity to allocate 66.7 percent of the resource pool, and each of the states of Nevada, Arizona and California the opportunity to allocate 11.1 percent of the resource pool.
6. The CRC should have the exclusive jurisdiction to allocate the one-sixth of power in the resource pool that will be offered to new allottees in Nevada, and the Arizona Power Authority (APA) should have the exclusive jurisdiction to allocate the one-sixth of the power in the resource pool that will be offered to new allottees in Arizona.
7. The CRC would not object to Western allocating the one-sixth of the resource designated for California new allottees, if this is acceptable to California.
8. The CRC and the APA should carry out the same functions for Hoover power allocation that they have performed for the past 80 years.
9. Western should work with the CRC and the APA to ensure that its procedures for allocating power in the resource pool are coordinated with the procedures that the CRC and APA will implement for power allocation in compliance with state law, so that all three entities can complete their allocations in a timely and efficient manner that ensures an equitable allocation of all resource pool power.
10. Western should not apply the Energy Planning and Management Program Power Marketing Initiative to this allocation of Hoover power.

11. All future Hoover contracts should include provisions requiring all contractors to execute the Boulder Canyon Project Implementation Agreement Contract No. 95-PAO-10616, and to make a commitment to pay a proportionate share of Hoover and the Lower Colorado River Multi-Species Conservation Program costs, allocated in accordance with each state's requirements.

The Colorado River Commission of Nevada appreciates this opportunity to provide written comments on Western's post-2017 remarketing initiative, and reserves the right to submit further comments and otherwise participate in this proceeding.

Respectfully submitted,



James D. Salo
Deputy Executive Director
jsalo@crc.nv.gov

JDS/ja

Attachment

United States Senate

WASHINGTON, DC 20510

May 24, 2011

Tim Meeks
Administrator
Western Area Power Authority
P.O. Box 281213
Lakewood, CO 80228-8213

Re: Request to stay Western's decision on Hoover Re-Marketing [76 FR 23583]

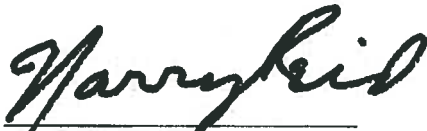
Dear Administrator Meeks:

We write today to request an immediate stay of the Notice of Decision that the Western Area Power Administration (Western) recently published in the Federal Register on future allocations of Hoover Power pending Congress' consideration of the Hoover Power Allocation Act of 2011 (S. 519). We, as the Chairman of the Senate committee with jurisdiction over WAPA, and as Senators representing states which receive electricity from Hoover Dam, note that this decision is inconsistent with the established precedent that Congress, not Western, directly allocates Hoover power.

As you know, under the Boulder Canyon Project Act of 1928 and the 1984 Hoover Power Plant Act, it was Congress and not Western that directed allocation of Hoover power through contracts with state, municipal and utility contractors. The approach set forth in the Notice of Decision is inconsistent with that approach and is not the best way to ensure the continued availability and reliability of Hoover power to the citizens of Arizona, California and Nevada. We believe that Congress should continue to allocate the post-2017 Hoover power as it has done since the construction of Hoover Dam.

Furthermore, Western's attempt to decide significant issues regarding Hoover power allocations, at the same time that Congress is addressing these issues, will undoubtedly result in conflicts with the will of the Congress because of the differences between the legislation and the Notice of Decision. Therefore, we respectfully request your immediate attention to this issue and must ask Western to issue immediately a notice to stay this decision pending the Congress' consideration of S. 519.

Sincerely,



HARRY REID
United States Senator



JEFF BINGAMAN
United States Senator

Handwritten signature of John McCain in blue ink.

JOHN McCAIN
United States Senator

Handwritten signature of Jon Kyl in blue ink.

JON KYL
United States Senator

Handwritten signature of Barbara Boxer in blue ink.

BARBARA BOXER
United States Senator

Handwritten signature of Dianne Feinstein in blue ink.

DIANNE FEINSTEIN
United States Senator

Handwritten signature of Dean Heller in blue ink.

DEAN HELLER
United States Senator